

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

IN RE THE MATTER OF:

THE INTEGRATED RESOURCE PLAN OF)
EAST KENTUCKY POWER COOPERATIVE, INC) Case No. 2003-00051

SUPPLEMENTAL REQUEST FOR INFORMATION
POSED BY THE ATTORNEY GENERAL

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Supplemental Request for Information to East Kentucky Power Cooperative, Inc., to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

- (6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.
- (7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.
- (8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.
- (9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

A. B. CHANDLER, III
ATTORNEY GENERAL



ELIZABETH E. BLACKFORD
ASSISTANT ATTORNEY GENERAL
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204
(502) 696-5358

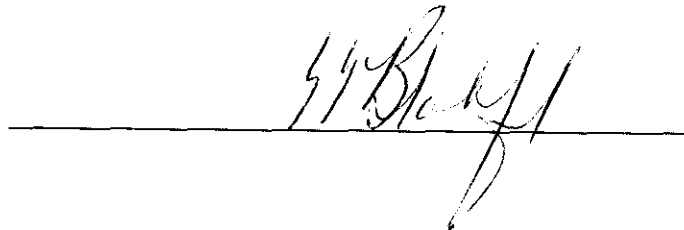
CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 7th day of July, 2003, I have filed the original and ten copies of the foregoing with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

DAVID G EAMES
VICE PRESIDENT
EAST KENTUCKY POWER COOPERATIVE
P O BOX 707
WINCHESTER KY 40392-0707

DALE HENLEY ESQ
EAST KENTUCKY POWER COOPERATIVE
P O BOX 707
WINCHESTER, KY 40392-0707

CHARLES A LILE ESQ
SENIOR CORPORATE COUNSEL
EAST KENTUCKY POWER COOPERATIVE.
P O BOX 707
WINCHESTER KY 40392-0707



**Supplemental Request for Information
Posed by the Attorney General
Case No. 2003-00051**

- 1) Follow-up to Item 1a. In this response, EKPC states that the PPA would have to be significantly amended to be used.
 - a) Does this response mean that the current PPA could not be used and is thus not valid?
 - b) If the current PPA is not useable, why has EKPC not petitioned the Commission to withdraw its approval of the PPA?
- 2) Follow-up to Item 2. Please state the current status of the ETS program. Is EKPC still as optimistic about the ETS program as it was in 1999, when this report was written?
- 3) Follow-up to Item 4d. Please provide an economic justification for this \$1.4 million annual expense. Could this marketing function be handled in-house at a much lower expense to members?
- 4) Follow-up to Item 5a and 8c.
 - a) If the evaluation of the six different planning scenarios results “are within 50 million dollars of each other at the maximum spread in cumulative net present value,” and carbon emissions limits could have “extremely adverse financial effects,” please explain why EKPC would not attempt to run sensitivity analyses that would quantify the financial impact on each scenario to determine if any scenarios would minimize Global Climate Change liability exposure.

- b) Please provide annual carbon dioxide emission estimates for each of the 6 planning scenarios considered.
- 5) Follow-up to Item 5d. The projects listed amount to less than 200,000 ton of carbon reduction per year. As the IRP calls for growth of carbon emission to over 15 million tons by 2017, 8.7 million tons over 1990 levels, should EKPC not be making a more serious effort to limit its potential carbon emission liability?
- 6) Follow-up to Item 8a. The analysis ends in 2022, which biases more expensive base load options. Base load options have a fuel cost advantage over their entire life, which is not captured in an analysis that only considers the first 10 years of the asset's service. Why does the analysis end in 2022?
- 7) Follow-up to Item 13. While it is true that EKPC does not have any retail customers, this has not stopped EKPC's involvement in DSM programs such as the ETS program. Has EKPC been working with its Distribution Coop members to develop Net Metering tariffs on the Distribution Coop level? If so, please describe efforts to date. If not, please explain why not.
- 8) Follow-up to Item 14. With respect to the current Enviro Watt power being sold:
 - a) Please provide the supplier or suppliers.
 - b) What is the source of this power (solar, wind, hydro, landfill gas, etc.)?
 - c) What is the cost of this power to EKPC on a cents/kwh basis?

- d) By when does EKPC expect to be Green Power self-sufficient and no longer need to import this power from off-system?
- 9) Follow-up to Item 17.
- a) Please detail each discussion EKPC has had with the Division of Forestry or other parties about acquiring wood-waste for the Gilbert plant.
 - b) Is it correct that installing facilities for burning bio-mass at the Gilbert plant is not part of current construction plans?
 - c) Please provide the cost of handling and storing coal in the present Gilbert plant construction plans.
- 10) Follow-up to Item 18d.
- a) If wind monitoring is currently underway, and that monitoring will only take 12 to 18 months, why will it take until the end of 2005 to make a decision on pursuing wind capacity?
 - b) When is the earliest that EKPC could put a wind plant on-line?
- 11) Follow-up to Item 19. Is installation of photovoltaics being studied by the Enviro Watt program? If so, please provide details of efforts to this date. If not, please explain why not.
- 12) Follow-up to Item 20. Even if the capacity is not firm, is the energy that is expected to be provided by this project included in the IRP? If not, why not?

- 13) Follow-up to Item 21. The tariff provided is three and a half years old. When does EKPC expect to update this tariff and include the cost of the base load capacity in current plans?
- 14) Follow-up to KDOE Item 4. Can the knowledge and technology that EKPC has developed for landfill gas be used for coalbed gas? If so, is EKPC exploring coalbed gas sites, not only to generate power but also gain credits in Global Climate Change emissions reductions?